TEXAS DEPARTMENT OF INSURANCE
Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)
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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name
American Specialty Pharmacy

Respondent Name
Travelers Indemnity Company

MFDR Tracking Number
M4-15-3979-01

Carrier's Austin Representative
Box Number 5

MFDR Date Received
August 10, 2015

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Trazodone 150mg is **medically necessary: …** for anxiety secondary to injury … for depression secondary to injury … to allow activities of daily living…

CITALOPRAM 20MG is **medically necessary:** … for depression secondary to injury …"

Amount in Dispute: $151.40

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The provider supplied trazodone and citalopram tabs …

… As of the date of service, trazodone had a status of 'N' in Appendix A. As this prescription contained an 'N-list' drug, it required preauthorization under Rule 134.503(b)(1)(A). The Provider did not request or obtain preauthorization prior to providing this prescription. Therefore, the Provider is not entitled to reimbursement for the disputed services.

Further, as of the date of service, the citalopram tabs had a status of 'N' in Appendix A… The provider did not request or obtain preauthorization prior to providing this prescription. Therefore, the Provider is not entitled to reimbursement for the disputed services."

Response Submitted by: Travelers

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
November 19, 2014	Prescription Medication (Trazodone & Citalopram)	$151.40	$53.59

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.500 provides definitions for pharmaceutical benefits.
3. 28 Texas Administrative Code §134.540 sets out the guidelines for use of the closed formulary for claims subject to certified networks.
4. 28 Texas Administrative Code §134.503 sets out the guidelines for billing and reimbursing pharmaceutical services.
5. The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
   - 197 – Precertification/authorization/notification absent.

Issues

1. What prescription drugs require preauthorization under the Division pharmacy formulary?
2. Do the disputed services require preauthorization?
3. Is the insurance carrier's reason for denial of payment supported?
4. What is the total reimbursement for the disputed services?
5. Is the requestor entitled to additional reimbursement?

Findings

1. The dispute involves the prescription drugs citalopram and trazodone. 28 Texas Administrative Code §134.540 (b) states,

   > Preauthorization for claims subject to the Division's closed formulary. Preauthorization is only required for:
   > (1) drugs identified with a status of "N" in the current edition of the *ODG Treatment in Workers' Comp* (ODG) / Appendix A, *ODG Workers' Compensation Drug Formulary,* and any updates;
   > (2) any compound that contains a drug identified with a status of "N" in the current edition of the *ODG Treatment in Workers' Comp* (ODG) / Appendix A, *ODG Workers' Compensation Drug Formulary,* and any updates; and
   > (3) any investigational or experimental drug for which there is early, developing scientific or clinical evidence demonstrating the potential efficacy of the treatment, but which is not yet broadly accepted as the prevailing standard of care as defined in Labor Code §413.014(a).

2. The *ODG Treatment in Workers' Comp* (ODG) / Appendix A, *ODG Workers' Compensation Drug Formulary* in effect on the date of service finds that citalopram was an "N" status drug. Therefore, citalopram required preauthorization.

   The *ODG Treatment in Workers' Comp* (ODG) / Appendix A, *ODG Workers' Compensation Drug Formulary* in effect on the date of service finds that trazodone is an "N" status drug only when prescribed for insomnia. Review of submitted documentation finds that trazodone was prescribed "for depression secondary to injury." 28 Texas Administrative Code §134.500 (3) states that **the closed formulary includes** "All available Food and Drug Administration (FDA) approved prescription and nonprescription drugs prescribed and dispensed for outpatient use, but excludes" the drugs requiring preauthorization.

   Because trazodone is FDA approved and not excluded from the formulary on the date of service in question, it did not require preauthorization.

   The Division notes that "The Division of Workers' Compensation (DWC) has posted Appendix A, *ODG Workers' Compensation Drug Formulary*, from the *Official Disability Guidelines - Treatment in Workers' Comp* (ODG). The DWC will update the listing monthly upon receipt from ODG." However, the TDI website posting of Appendix A "is provided as a convenience only and is not a substitute for the current edition of *ODG Treatment in Workers' Comp /* Appendix A: *ODG Workers' Compensation Drug Formulary*."

3. The insurance carrier denied disputed prescription medication, citalopram, with claim adjustment reason code 197 – "Precertification/authorization/notification absent." 28 Texas Administrative Code §134.540 (e)(1) states,

For situations in which the prescribing doctor determines and documents that a drug excluded from the closed formulary is necessary to treat an injured employee's compensable injury and has prescribed the drug, the prescribing doctor, other requestor, or injured employee must request approval of the drug in a specific instance by requesting preauthorization in accordance with the certified network's preauthorization process established pursuant to Chapter 10, Subchapter F of this title (relating to Utilization Review and Retrospective Review) and applicable provisions of Chapter 19 of this title (relating to Agents' Licensing).

Review of the submitted documentation finds that a preauthorization was not requested or obtained. The insurance carrier's denial reason is supported for citalopram. Additional reimbursement cannot be recommended for this medication.

The insurance carrier denied disputed prescription medication, trazodone, with claim adjustment reason code 197 – "Precertification/authorization/notification absent." Because trazodone does not require preauthorization, the insurance carrier's denial reason is not supported. This medication will be reviewed in accordance with applicable rules and fee guidelines.

4. The MAR in for the disputed services is established by the AWP formula pursuant to 28 Texas Administrative Code §134.503 (c), which states, in relevant part:

   (c) The insurance carrier shall reimburse the health care provider or pharmacy processing agent for prescription drugs the lesser of:
   (1) the fee established by the following formulas based on the average wholesale price (AWP) as reported by a nationally recognized pharmaceutical price guide or other publication of pharmaceutical pricing data in effect on the day the prescription drug is dispensed:
   (A) Generic drugs: ((AWP per unit) x (number of units) x 1.25) + $4.00 dispensing fee per prescription = reimbursement amount…
   (2) notwithstanding §133.20(e)(1) of this title (relating to Medical Bill Submission by Health Care Provider), the amount billed to the insurance carrier by the:
   (A) health care provider

   The requestor is seeking reimbursement for the generic drug trazodone hcl 150 mg tablet, NDC number 50111044102. The disputed medications were dispensed on November 19, 2014. The MAR is calculated as follows:

Date of Service	Prescription Drug	Calculation per §134.503 (c)(1)	§134.503 (c)(2)	Lesser of §134.503 (c)(1) & (2)	Carrier Paid	Balance Due
11/19/14	Trazodone HCL 150 mg tablet	(1.32230 x 30 x 1.25) + $4.00 = $53.59	$83.90	$53.59	$0.00	$53.59

5. The total reimbursement for the disputed service is $53.59. The insurance carrier paid $0.00. The balance of $53.59 is therefore recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is $53.59.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of $53.59 plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

Authorized Signature

	Laurie Garnes	November 13, 2015
Signature	Medical Fee Dispute Resolution Officer	Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, 37 *Texas Register* 3833, applicable to disputes filed on or after June 1, 2012.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.